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THE ECONOMIC COOPERATION PROG...

AS IT AFFECTS THE FISHERY INDUSTRIES

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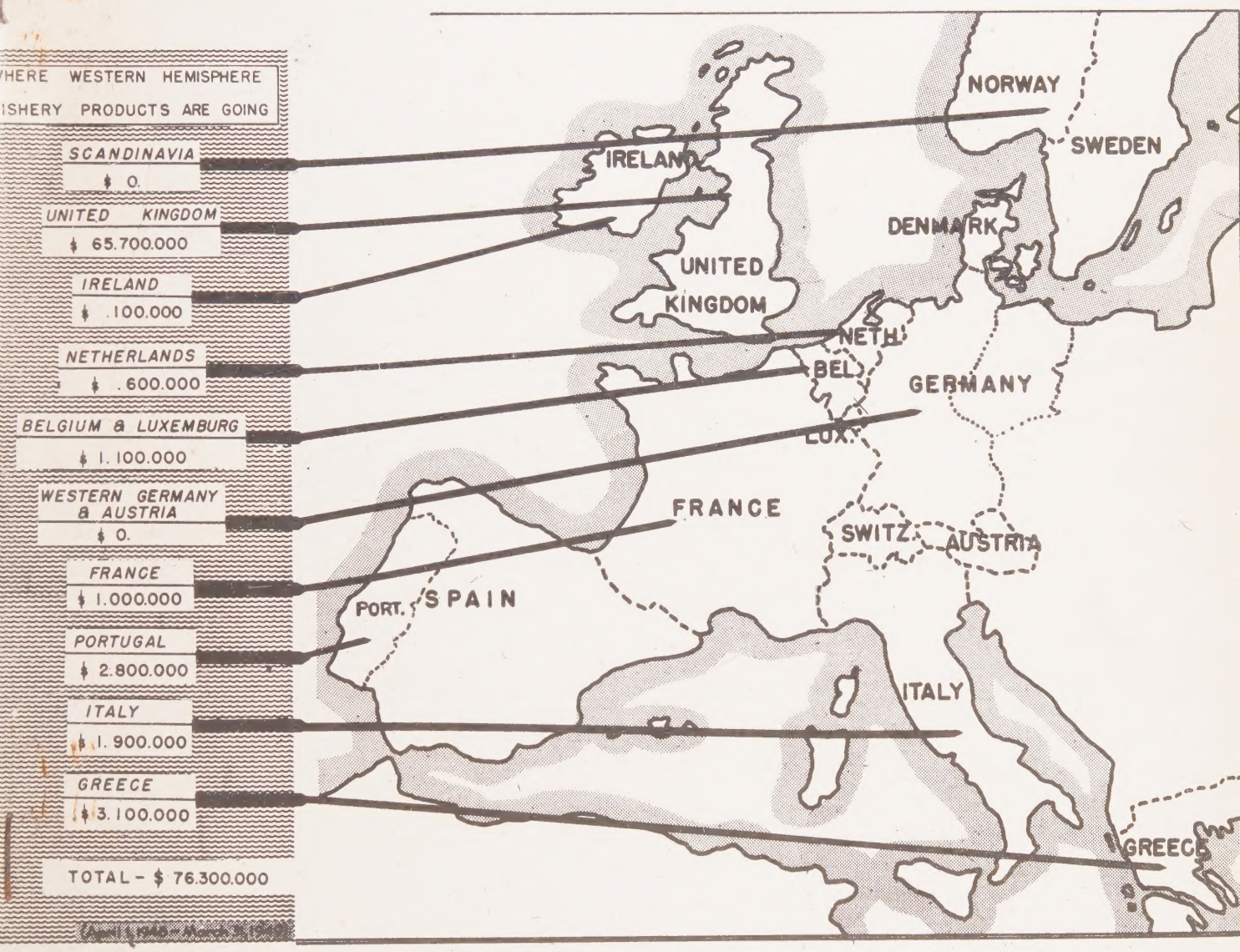

FISHERY LEAFLET 313

FISH AND WILDLIFE SERVICE

United States Department of the Interior

United States Department of the Interior, J. A. Krug, Secretary
Fish and Wildlife Service, Albert M. Day, Director
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Fishery Leaflet 313

Washington 25, D. C. September 1948

THE ECONOMIC COOPERATION PROGRAM AS IT AFFECTS THE FISHERY INDUSTRIES

Sixty Questions and Answers

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1. Q. What is the authorization for the foreign assistance program?

A. Foreign assistance is based on the Foreign Assistance Act of 1948, approved April 3, 1948, and the Foreign Aid Appropriations Act, 1949, approved June 28, 1948.

2. Q. What are the main subdivisions of the basic Act?

A. The main subdivisions of this Act are Title I, cited as the "Economic Cooperation Act of 1948," Title II, cited as the "International Children's Emergency Fund Assistance Act of 1948," Title III, cited as the "Greek-Turkish Assistance Act of 1948," and Title IV, cited as the "China Aid Act of 1948."

3. Q. Is the administration of all four titles unified in one agency?

A. No. The Economic Cooperation Act of 1948 (Title I) is administered by the Economic Cooperation Administration (ECA), which also administers certain provisions of the China Aid Act of 1948 (Title IV). The other titles are administered by other agencies. Title II is administered by the United Nations and Title III is administered by the Department of State.

4. Q. What are the main purposes of the Economic Cooperation Act of 1948?

A. The main purposes of this Act are to sustain and strengthen plans of individual liberty, free institutions and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation.

5. Q. How many European countries participate in the Economic Cooperation program?

A. Sixteen European countries participate in the Economic Cooperation program. They are Austria, Belgium, Luxembourg, Denmark, France, Greece, Iceland, Ireland, Italy, Norway, Netherlands, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom. Aid is also contemplated for Western Germany and the territory of Trieste.

6. Q. Who administers the Economic Cooperation program?

A. The program is administered by the Economic Cooperation Administration, Mr. Paul G. Hoffman, Administrator. The address of this agency is 800 Connecticut Avenue, N.W., Washington, D. C.

7. Q. What does "participating country" mean in the law?

A. It means any country which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and enters into an operations agreement with the United States. Each country's dependent territories are included.

8. Q. Does the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, indicate that all aid will be given gratis?

A. No. It is the expressed will of the countries involved to step up their production and to pay for a part of the aid received in the form of western hemisphere fishery products, by making available to fish importers in their countries dollar exchange earned from increased exports made possible by the expanded production in these participating countries.

9. Q. Is the door open for the participation of other countries?

A. Yes, other European countries may participate if they join the general program.

10. Q. What are the main functions of the Economic Cooperation Administration?

A. The main functions of the Administration are: (a) To review and appraise the requirements of participating countries. (b) To formulate programs of United States assistance. (c) To approve the specific projects which have been submitted to it by the participating countries. (d) To provide for the efficient execution of the programs as approved.

11. Q. Will the program be administered wholly from Washington?

A. No. There shall be established in each of the ECA offices in the participating countries a special mission for Economic Cooperation under the direction of a chief who shall be responsible for assuring the performance of the assistance program within that country. There is also the Office of the U. S. Special Representative in Paris. All final administrative decisions, however, will be made in Washington.

12. Q. What kind of assistance is given? Does it include fishery products?

A. (a) Assistance in the form of any commodity required for the furtherance of the provisions of the "Economic Cooperation Act" (including fish and fishery products). (b) Aid in processing, storing and transporting any commodities required under the program. (c) Aid by furnishing technical information and assistance.

13. Q. Will all procurement under the program be handled through Government agencies?

A. No. Private channels of trade will be utilized to the maximum extent practicable. However, the Administrator may utilize the services and facilities of any department or agency of the Government of the United States.

14. Q. What is the primary administrative operation for starting assistance to a participating country?

A. Approval by ECA of an assistance request from a recipient country and issuance of a procurement authorization, which specifies the commodity or service to be rendered and the method of financing to be employed.

15. Q. If an account is established, how will the account be charged?

A. (a) By withdrawals by participating countries, upon presentation of contracts, invoices and other documents, or (b) By letters of commitment issued in connection with supply programs approved by the Administrator.

16. Q. In which other ways may the Administrator provide for furnishing assistance so as to maximize the use of private channels of trade?

A. By making guarantees to private investors in connection with approved projects within a participating country.

17. Q. Generally, what is to be the form of assistance to participating countries?

A. Either through outright grants, or upon cash payment, or on credit terms, or other appropriate terms of payment.

18. Q. What is the first period of operations under the foreign assistance program?

A. The first period of operations runs from April 1, 1948 to June 30, 1949.

19. Q. Is this program rigid and binding?

A. No, it is neither rigid nor binding. It may be altered with changing conditions and upon proper representations by either the participating or the non-participating countries.

20. Q. What is the advance estimated dollar value of the fish to be imported by participating countries in this period?

A. The value of the fish to be imported by participating countries in this period is forecast as 240.7 million dollars, based on July 1, 1947 prices. (This is value only, even though most will be paid in terms of local currencies and barter).

21. Q. What part of this amount will be delivered from the Western Hemisphere?

A. It is expected that 76.3 million dollars worth of fish and fishery products will be furnished from the Western Hemisphere.

22. Q. What amount will come from the United States?

A. The United States is expected to furnish 51.8 million dollars worth of fish and fishery products.

23. Q. What amount will come from other Western Hemisphere countries, Canada and Newfoundland?

A. These countries will probably supply 24.5 million dollars worth of fish and fishery products.

24. Q. What amount will be directly delivered from participating countries in Europe to other participating countries in Europe?

A. An amount of 143.5 million dollars worth of fish and fishery products is expected to come from these sources.

25. Q. Which participating countries in Europe are expected to deliver the bulk of these fishery products?

A. They are Norway, Iceland, Portugal and Denmark.

26. Q. Which are expected to be the main receiving countries in Europe?

A. The United Kingdom, Italy, France and Western Germany.

27. Q. What part of the Western Hemisphere shipments may be paid for by the Economic Cooperation Administration?

A. An amount estimated at 53.5 million dollars will be paid for by the Economic Cooperation Administration.

28. Q. From which sources will the balance come?

A. The remaining payments will come from dollar exchange held by the participants and from export to dollar areas.

29. Q. Who will pay for the 143.5 million dollars worth of fish and

fishery products shipped from European participating countries which are surplus producing countries to other European participating countries which are in need of fish and fishery products?

A. Although there is no definite statement on this point, it can be assumed that none, except possibly for Western Germany, will be paid for by the Economic Cooperation Administration.

30. Q. Which is the best way of obtaining payment by the Economic Cooperation Administration?

A. Private business firms in participating countries, after approval of a program, should seek credit from United States commercial banks on the basis of letters of commitment issued by the Economic Cooperation Administration.

31. Q. What consideration is given to the United States economy under the foreign aid program?

A. The Administrator shall minimize the drain upon the resources of the United States and avoid impairing the fulfillment of vital needs of the people of the United States.

32. Q. What safeguards are established to assure the proper relation of U. S. exports to U. S. domestic needs?

A. The domestic supply and demand situation are subject to continuing review in order that exports may not be permitted to become large enough to seriously disrupt our domestic economy. Export ceilings may be established by the Secretary of Commerce after consultation with ECA and other interested government agencies, where such ceilings are deemed necessary to prevent disruption of the domestic economy and to protect the national interest. In connection with this authority export licenses are issued.

33. Q. How are export licenses obtained?

A. Applications should be submitted to the Office of International Trade, Department of Commerce, Washington, 25, D. C.

34. Q. What major considerations are used in determining export ceilings.

A. Two basic considerations are used in determining export ceilings for specific products, namely (1) the need for these products in foreign countries and (2) the amounts which can be diverted from domestic to foreign markets without serious disruption of our domestic economy. In general, essential domestic needs must be met before quantities are made available for export.

35. Q. Will exports be limited on the basis of averages of certain time periods, for example, average 1929 - 1939 or average 1934 - 1938?

A. No. Such data will be only one of several factors used in

determining the quantities to be made available for export. Consideration also may be given to the general domestic demand and general supply situation and to the availability of fishery products from other countries.

36. Q. Which fishery exports are expected to predominate in the program?

A. Exports of those fish and fishery products which were principally exported before the war will probably predominate.

37. Q. Which are the most important fishery products which might be imported by the United Kingdom, with ECA funds, from the Western Hemisphere?

A. It is anticipated that the main imports would be canned salmon, canned pilchards and canned mackerel from the United States and Canada.

38. Q. Which are the most important fishery products which might be imported by Greece, with ECA funds, from the Western Hemisphere?

A. The main imports would be salted fish from Newfoundland and Canada, some canned fish from the United States.

39. Q. Which are the most important fishery products which might be imported by Portugal from the Western Hemisphere?

A. The main imports would be salted fish from Newfoundland and Canada, but without ECA financing.

40. Q. Which are the most important fishery products which might be imported by Belgium-Luxembourg, with ECA funds, from the Western Hemisphere?

A. The main imports would be canned salmon, canned pilchards and canned mackerel from the United States and Canada.

41. Q. Which are the most important fishery products which might be imported by France, with ECA funds, from the Western Hemisphere?

A. The main imports would be salted fish from Canada.

42. Q. Does this mean that new species and new products cannot be developed for export under the foreign aid program?

A. No. New species and new products may be developed. The delivery and payment by the Economic Cooperation Administration, however, will depend mainly on whether the participating countries are ready and willing to purchase these products.

43. Q. What are the steps to be taken by private exporters and importers in order to obtain ECA financing?

A. The steps are the following:

(a) Exporter solicits business as he has done in the past,

with foreign importer.

(b) Foreign importer consults his government, to see if product is approved by ECA and the participating country as a proper item in the Recovery Program.

(c) If approved, foreign importer obtains permission of his government to pay for his goods with dollars set aside for ERP purchases.

(d) Payment will be made to the U. S. exporter either directly (from allocated funds) by the foreign purchaser, through letters of credit from U. S. Banks, or through letters of commitment issued by ECA.

44. Q. What documents are necessary in the above transactions?

A. The normal commercial documentation, i.e. bills of lading, etc. The documentation which ECA requires varies according to the nature of the terms of payment. Copies of ECA Reg. 1, which specifies means of payment for procurement, with annexed forms, may be acquired upon written request to ECA.

45. Q. Should the sales price mentioned include or exclude any proposed commission?

A. The sales price mentioned in the application may include any proposed exporter's commission. (It should also be noted that the rules established by the Bureau of Federal Supply, as to commissions, are the basis for the requirements covering sales which will be approved by ECA.)

46. Q. What steps may be taken by businessmen who have no direct contact with importers in foreign countries?

A. They may obtain from the Commercial Intelligence Branch of the Office of International Trade, Department of Commerce, Washington 25, D. C., or any Department of Commerce field office lists of importers in foreign countries. The charge is $1.00 per commodity per country.

47. Q. How may an American exporter obtain information on the sales ability and general reliability of an importer?

A. He may obtain from the Commercial Intelligence Branch, Department of Commerce, a World Trade Directory Report which contains information on the sales ability and general reliability of individual firms located in foreign countries. Mercantile houses, banks and credit organizations are sources of financial and credit information concerning foreign firms.

48. Q. How do the Foreign Purchasing Missions handle applications for financial assistance under the ECA program?

A. They may apply directly to ECA in Washington, D. C.

49. Q. When may the foreign aid program be terminated?

A. Assistance to a specific country may be terminated if such a country is not adhering to the agreement signed at Paris, September 22, 1947, or "if because of changed conditions assistance is no longer consistent with the national interest of the United States". Termination of assistance means the termination of deliveries of all supplies scheduled under the aid program for the respective country and not yet delivered.

50. Q. Does the commitment of the Economic Cooperation Administration mean that the products involved must be admitted in the respective foreign country?

A. No. In some foreign countries imports are controlled through import permits or licenses. The American exporter who does not sell "F.O.B. American Port" should make certain that the product to be shipped to a foreign country either is on the free list of that country or that the foreign buyer holds a valid import permit or license covering the proposed shipment.

51. Q. Who must apply for the import license?

A. The importer in the foreign country must apply to the agency in his government responsible for issuing such permits or licenses.

52. Q. Who has to apply for an export license, the exporter in this country or the importer in the foreign country?

A. Only the exporter in this country can apply for export licenses.

53. Q. Can the application be submitted when a preliminary contract is drafted?

A. According to regulations of the Department of Commerce (Comprehensive Export Schedule 25) an application for an export license shall not be filed with the Office of International Trade unless the applicant has a firm order from the purchaser named therein for the articles described and in amounts stated. The term "firm order" as used in the export regulations is interpreted to mean an order placed with the exporter in the United States by an importer in the foreign country, which, if accepted by the exporter, will result in a binding contract between the exporter and the importer. While the terms of the order may be conditioned, such terms must be ascertainable and certain.

54. Q. Do all fish and fishery products exported under the ECA program require export licenses of the same general type?

A. Yes. All exports of fish and fishery products to ECA countries require validated export licenses.

55. Q. To whom should applications for export licenses be sent?

A. To the Office of International Trade, Department of Commerce, Washington 25, D. C. Questions regarding the general operation of export

licensing regulations should be directed to that office or to any field office of the Department of Commerce.

56. Q. Is an application form prescribed which must be used in applying for export licenses?

A. Yes. Applications for export licenses must be submitted on Form IT 419 which may be obtained without cost from the Office of International Trade or any Department of Commerce field office.

57. Q. How many copies of this form must be submitted?

A. One original and one copy (duplicate), while a third copy (triplicate) is retained by the applicant.

58. Q. Should any special papers be attached to the application?

A. In the case of fish meal and fish oils, it is necessary for evidence of the firm order and acceptance to accompany the application. With respect to edible fish and fish products, submission of this evidence is not required. However, the Office of International Trade reserves the right to request presentation of orders and acceptances or other pertinent papers, especially in instances in which prices seem to be extraordinarily high or the amounts requested are so large as to constitute an unusual drain on domestic supplies.

59. Q. Is there any difference between the handling of applications for export licenses for products to be paid for with ECA funds and the handling of applications for export licenses for products to be paid for with funds from other sources?

A. Exports of fish and fish products to the ECA countries require validated export licenses and the application forms and processing procedures are the same regardless of whether financed through ECA or other sources.

60. Q. How may further information relating to export regulations be obtained?

A. Regulations of the Department of Commerce relating to the licensing of exports are contained in Comprehensive Export Schedule 25 which may be purchased from Washington or field offices of the Department of Commerce at a cost of 25¢. Revisions in the export regulations are published in Current Export Bulletins which are issued from time to time and which may be obtained free of charge from any of the above offices.